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The Real Nvidia Scandal Is Not an Alleged Chinese Spy but Corporate Money's Influence on US Policy

News:

Jensen Huang resigned on November 12, 2026, amid reports of extramarital affairs, including one with Alice Huang, a former executive of Singapore-based Megaspeed whom US officials suspect of working for the Chinese government. Megaspeed and its Malaysian affiliate, Speedmatrix, purchased at least $4.8 billion between June 2024 and February 2026 in advanced AI equipment containing Nvidia technology as reported by The New York Times.

Comment:

The controversy over Nvidia's advanced AI chip exports to China has increasingly been framed as an espionage scandal involving former chief executive Jensen Huang and a businesswoman suspected of Chinese intelligence links. But any company had a clear financial incentive to export to China's vast AI market; no alleged Chinese spy would have been needed to persuade Huang to lobby the US administration to relax its export rules for high-tech chips to China. The affair has been falsely packaged as an espionage scandal about Huang, a suspected intelligence link, and advanced chips allegedly diverted to Beijing. That espionage and honey-trap narrative distracts from the real scandal: how US politicians enrich themselves by shaping policy to suit corporate interests, regardless of geopolitical concerns. The real scandal is the blatant conflict of interest involving President Trump and Commerce Secretary Howard Lutnick, in which official policy became aligned with the interests of the company under scrutiny.

The US administration itself knowingly relaxed restrictions on Chinese chip sales against stated national-security interests. Nvidia's $25 million contribution to Trump's White House ballroom project is surely more significant than whom Jensen Huang was sleeping with. Indeed, figuratively speaking, Huang was in bed with the US administration on multiple levels that are far more significant than his relationship with the former Megaspeed executive. Even though the US administration had long known that Megaspeed was funneling Nvidia chips to China, that relationship has been treated as the scandal. Trump also benefited more directly from Nvidia through his Nvidia shareholdings, with multiple million-dollar purchases through 2025 and into 2026, including purchases on August 3, 10, and 17, 2026, a sale on August 21, and a smaller purchase on August 26 according to Trump's financial disclosure filed with the US Office of Government Ethics and signed on September 17, 2026.

The timing is suspicious as August 2026 was the second time President Trump approved enforcement action against suspected Nvidia chip transshipment, and the second time Lutnick failed to act. According to Axios reporting cited by multiple outlets, Trump authorized new export restrictions on companies suspected of

channeling advanced Nvidia AI chips to China on at least three occasions; in May, in August, and again on November 5, 2026. Commerce Secretary Lutnick repeatedly resisted or slowed those requests, even after the president's approvals.

Lutnick's role makes what followed particularly troubling. Before entering government, he was chairman and chief executive of Cantor Fitzgerald, which held approximately $1.2 billion in Nvidia shares around the time of his nomination. He also had a close relationship with Jensen Huang. Lutnick completed the required divestment of his interests in Cantor and associated entities on October 6, 2025, but the divestment was to his two eldest sons! His son Brandon became chairman and chief executive of the company, while his son Kyle also assumed senior management responsibilities.

The export of Nvidia chips to China became a political issue before Trump returned to office. In October 2022, the Biden administration restricted exports of Nvidia's advanced A100 and H100 processors to China. Nvidia responded by developing modified A800 and H800 versions that complied with the restrictions then in force. Washington closed that loophole in November 2023, prompting the development of further China-specific products, including the H20. By August 2025, the Trump administration was already reversing the restrictive approach, permitting certain H20 exports under licensing arrangements reportedly involving a 15 percent payment to the US government. On December 8, 2025, Trump went further, announcing that Nvidia could sell its more powerful H200 processors to approved Chinese customers in exchange for a 25 percent payment. In January 2026, Commerce formalized the change by moving H200 export applications to case-by-case consideration rather than a presumption of denial.

By November 2026, however, disagreement within Washington over the Nvidia exports had become public. Treasury Secretary Scott Bessent disclosed that Treasury, the Pentagon, the State Department, and the US Trade Representative had supported placing Megaspeed on the US Entity List for months. The list restricts companies' access to American technology. Yet the Commerce Department, under Lutnick, had not acted. The Washington Post also reported that Trump had directed Lutnick on three occasions to pursue tighter restrictions against suspected diversion networks, but that Lutnick resisted, arguing that further restrictions could provoke a trade war and undermine the strategic advantage of keeping China dependent on American technology.

Contradictions over what constitutes the US national interest have now emerged in Washington, driven by the narrow personal financial interests of US officials at the highest levels. This scandal has been buried beneath a personal scandal involving an affair between a CEO and a female business associate.

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